

January 9–10, 2007

Long-term care hospital services: Assessing payment adequacy and updating payments

ISSUE: Are payments for long-term care hospitals (LTCHs) adequate? How should payments for rate year 2007 be updated?

KEY POINTS: We examine factors to determine whether payments for LTCHs in rate year 2006 are adequate:

- access to care
- supply of facilities
- volume of services
- quality
- access to capital
- payments and costs

We then examine how LTCHs' costs are likely to change in 2007 and present a draft recommendation.

ACTION: Commissioners will discuss and then vote on the draft recommendation.

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